

**FILED**

CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
CLEVELAND

) INDICTMENT

JUDGE POLSTER

CASE NO. **1:21 CR520**

CASE NO. 1:24-cr-00035  
Title 18, United States Code,  
Sections 152, 157; Title 26,  
United States Code, Section 7201

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### General Allegations

At all times material to this Indictment:

1. Defendant DOUGLAS SMITH was a resident of the State of Ohio, in the Northern District of Ohio, Eastern Division.

2. Defendant was a dentist licensed in the State of Ohio since approximately 1981.

3. In general, federal law required all individuals who made taxable income during a particular tax year to file an income tax return with the Internal Revenue Service (“IRS”).

4. Since approximately 1992, Defendant failed to file an income tax return, despite being employed and receiving income as a licensed dentist.

5. On or about March 1, 2006, Defendant purchased and mortgaged a home in Columbia Station, Ohio (“Columbia Station Home”). Approximately four months later, Defendant transferred ownership of the Columbia Station Home to the Smith 16 Family Trust.

6. As early as on or about April 17, 2008, the IRS notified Defendant of its intent to collect taxes due and owing to the IRS that Defendant failed to pay due to not filing income tax returns for tax years 1998, 1999, 2000, 2002, and 2003.

7. As early as on or about March 13, 2009, the IRS notified Defendant of its intent to collect taxes due and owing to the IRS that Defendant failed to pay due to not filing income tax returns for tax years 2004, 2005 and 2006.

8. On or about October 8, 2010, the IRS filed with the Lorain County Recorder's Office a nominee tax lien against Defendant, the Smith 16 Family Trust, and its trustee.

9. On or about August 29, 2011, the IRS sent Defendant a letter notifying him that their next action was to recommend the administrative seizure and sale of any of his assets to satisfy the federal tax liens.

10. On or about January 18, 2012, the IRS seized approximately \$250,000 in cash, gold bars, and gold and silver coins from Defendant's Columbia Station Home for non-payment of income taxes to satisfy federal tax liens.

11. On or about July 10, 2013, Defendant purported to transfer all his assets, including the Columbia Station Home, to a second trust, the Hillsong Holding Trust, to defeat IRS collection efforts and to try to avoid foreclosure of his home.

12. IRS continued to attempt to collect unpaid income tax from Defendant and in or around December 2015 served a levy on Defendant's employer.

13. On or about July 21, 2016, Defendant filed a Chapter 13 bankruptcy petition and made false statements about his assets and liabilities to shield Defendant's assets from IRS collection. Defendant's bankruptcy petition initially sought a reorganization of his debts, falsely stated that Defendant did not owe any tax debts, and falsely claimed that Defendant was indebted to Defendant's trust, the Hillsong Holding Trust. By filing the bankruptcy petition, Defendant sought to prohibit IRS from most collection activity, including levying Defendant's wages.

COUNT 1

(Attempted Tax Evasion – Evasion of Payment, 26 U.S.C. § 7201)

The Grand Jury charges:

14. The factual allegations in paragraphs 1 through 13 are realleged and incorporated as if fully stated herein.

15. From on or about March 1, 2006 through on or about July 21, 2016, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendant DOUGLAS SMITH, a resident of Strongsville, Ohio, willfully attempted to evade and defeat the payment of income tax due and owing by him to the United States of America, for the tax years 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, and 2012, by committing the following affirmative acts, among others:

- a. Placing Defendant's assets, including the Columbia Station Home, in the name of nominee trusts;
- b. Dealing in currency, that is, purchasing gold bars, and gold and silver coins; and
- c. Filing a Chapter 13 Bankruptcy Petition in the United States Bankruptcy Court in the Northern District of Ohio.

All in violation of Title 26, United States Code, Section 7201.

COUNTS 2-4

(Attempted Tax Evasion – Evasion of Assessment, 26 U.S.C. § 7201)

The Grand Jury further charges:

16. The factual allegations in paragraphs 1 through 13 are realleged and incorporated as if fully stated herein.

17. During each tax year below, Defendant DOUGLAS SMITH, a resident of Strongsville, Ohio, received taxable income, upon which there was income tax due and owing to the United States of America. Knowing the foregoing facts and failing to make an income tax

return on or before the dates listed below, as required by law, to any proper officer of the Internal Revenue Service, and to pay the income tax to the Internal Revenue Service, Defendant, from in or around 2014 through in or around 2017, in the Northern District of Ohio, Eastern Division, and elsewhere, willfully attempted to evade and defeat income tax due and owing by him to the United States of America, for the tax years below, by committing affirmative acts in each year of depositing his paychecks into the bank account of the Hillsong Holding Trust.

Count	Tax Year	Required Filing Date
2	2015	April 15, 2016
3	2016	April 17, 2017
4	2017	April 16, 2018

All in violation of Title 26, United States Code, Section 7201.

COUNT 5  
(Bankruptcy Fraud, 18 U.S.C. § 157)

The Grand Jury further charges:

18. The factual allegations in paragraphs 1 through 13 are realleged and incorporated as if fully stated herein.

19. On or about July 21, 2016, in the Northern District of Ohio, Eastern Division, Defendant DOUGLAS SMITH, with the intent to devise a scheme and artifice to defraud the Internal Revenue Service, that is, preventing the IRS from continuing to levy his wages and collect against his assets, and for the purpose of executing and concealing said scheme and artifice, filed a petition under Title 11, United States Code, and made a false and fraudulent representation, claim, and promise concerning and in relation to a proceeding under Title 11, United States Code, that is, among others:

- a. Debtor's Schedule I (income), filed in Case No. 16-BK-13975, which falsely scheduled gross monthly wages of approximately \$858.
- b. Debtor's Schedule D (liabilities), filed in Case No. 16-BK-13975, which fraudulently claimed a secured liability to Hillsong Holding Trust in the amount of approximately \$540,000.
- c. Debtor's Schedules filed in Case No. 16-BK-13975, including A (property) and B (personal property), which concealed from the trustee and the United States Bankruptcy Court, Northern District of Ohio, as part of the bankruptcy estate the following assets and income:
  - i. The Columbia Station Home valued at approximately \$155,000;
  - ii. \$19,100 in cash kept in a bag in Defendant's closet;
  - iii. Silver coins valued at approximately \$8,000 to \$10,000; and
  - iv. Firearms with an unknown value.

All in violation of Title 18, United States Code, Section 157.

COUNT 6  
(Concealment of Bankruptcy Assets, 18 U.S.C. § 152)

The Grand Jury further charges:

20. The factual allegations in paragraphs 1-13 and 19 are re-alleged and incorporated as if fully stated herein.
21. From on or about July 21, 2016 and continuing to on or about April 18, 2017, Defendant DOUGLAS SMITH, in the Northern District of Ohio, Eastern Division, knowingly and fraudulently concealed the property described below, which belonged to Defendant,

Bankruptcy Case No. 16-BK-13975, from the bankruptcy trustee charged with control of the property, and from the creditors and the United States Trustee:

- i. His actual income earned from his employment as a licensed dentist;
- ii. The Columbia Station Home valued at approximately \$155,000;
- iii. \$19,100 in cash kept in a bag in Defendant's closet;
- iv. Silver coins valued at approximately \$8,000 to \$10,000; and
- v. Firearms with an unknown value.

All in violation of Title 18, United States Code, Section 152.

A TRUE BILL.

Original document - Signatures on file with the Clerk of Courts, pursuant to the E-Government Act of 2002.